UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

LIBERTY SQUARE REALTY CORP.

12 CW 1395

INDEX NO.

VERIFIED COMPLAINT

JURY TRIAL DEMANDED

Plaintiffs,

VS.

BORICUA VILLAGE HOUSING DEVELOPMENT FUND COMPANY, INC... ADOLFO CARRION JUNIOR, HUGO SUBOTOVSKY, AUFGANG + SUBOTOVSKY, LLC, THE DOE FUND INC. THE CITY OF NEW YORK, NYC DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT AND TED WEINSTEIN Defendants.

X

Plaintiff, LIBERTY SQUARE REALTY CORP. by their attorney Yoram Nachimovsky, Esq. complaining of the Defendants BORICUA VILLAGE HOUSING DEVELOPMENT FUND COMPANY, INC., THE DOE FUND INC. AND THE CITY OF NEW YORK (hereinafter collectively "Defendants"), HUGO SUBOTOVSKY, AUFGANG + SUBOTOVSKY, LLC and ADOLFO CARRION JUNIOR allege, upon information and belief, as follows:

SUBSTANCE OF THE ACTION

- 1. This is an action for protection of the Plaintiff's registered Historic landmark property as well as Plaintiff's constitutional rights. Defendants have wrongfully allowed and/or caused to be built a multi building development mere feet from the landmarked property which was the former Bronx Courthouse. The Defendants failed to take any protective measures to safeguard the property of the Plaintiff. Plaintiff's property is damaged and requires extensive repair.
- 2. Furthermore, the Defendants are willfully impeding access to the Plaintiff's easement on East 161st Street, and have built obstructions blocking the only street to basement entrances and the sole loading dock of the Plaintiff's property. The obstructions which block Plaintiff's access to its building also impede vehicular access and handicap access to essential doorways and entrances.
- 3. This action is also for unjust enrichment, as the Defendants have utilized the property rights of the Plaintiff to obtain benefits that they could not have done, absent the violation of the constitutional rights of the Plaintiff.

JURISDICTION AND VENUE

- 3. This court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. §1121 and 28 U.S.C. §§1331 and 1338, and 28 U.S.C. §1367.
- 4. This Court has personal jurisdiction over Defendants by virtue of their transacting, doing, and soliciting business in this district and pursuant to N.Y. CPLR §302.

THE PARTIES

- 5. That, upon information and belief, at all times hereinafter mentioned, Defendant THE DOE FUND, INC. was and is now a Not-for profit corporation duly organized and existing under the laws of the State of New York with a principal place of business at 232 East 84th Street New York, NY 10028.
- 6. That, upon information and belief, at all times hereinafter mentioned, Defendant BORICUA VILLAGE HOUSING DEVELOPMENT FUND COMPANY, INC. was and is a corporation duly organized and existing under the laws of the State of New York with a principal place of business at 155 Avenue of the Americas, 3rd Floor, New York, New York 10013.
- 7. That, upon information and belief, at all time hereinafter mention Defendant ADOLFO CARRION JUNIOR served as the Bronx Borough President from 2002 until 2009 and during that time received gifts and/or gratuities from the Defendant Hugo Subotovsky.
- 8. That, upon information and belief and at all times hereinafter mentioned Defendant Hugo Subotovsky is the owner of Aufgang + Subotovsky, LLC and extended his professional service to defendant Adolfo Carrion free of charge.
- 9. That, upon information and belief, at all times herein after mentioned, Defendant Aufgang + Subotovsky, LLC, is a limited liability company having its principal place of business at 49 N Airmont Rd # 200 Suffern, NY 10901-3963.
- 10. That, upon information and belief, at all times hereinafter, Defendant THE CITY OF NEW YORK, was and is now responsible for issuing all construction permits and monitoring compliance with all landmark and construction rules and regulations and owes a special duty to the Plaintiff who purchased the property from the City of New York.
- 11. That, upon information and belief, at all times hereinafter Defendant NYC

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT ("HPD") is a municipal developer of affordable housing.

12. That, upon information and belief, at all times hereinafter Defendant TED WEINSTEIN is the. Director of Property Planning for HPD.

BACKGROUND AND GENERAL ALLEGATIONS

- 13. On or about December 22, 1998, Plaintiff purchased the old Bronx Borough Courthouse (the "Property"), an officially designated landmark, located at 513 East 161st Street at Third Avenue, Bronx, New York; bounded on the North by East 161st St., Brook Avenue and Third Avenue from the Defendant the City of New York.
- 14. Certain of the Defendants are the owners of the adjacent properties commonly known as Boricua Village.
- 15. Since that time, Plaintiff has obtained a permit from the New York City Landmarks Preservation Commission to perform restorative work on the building, including; but not limited to, the thorough cleaning of the granite facades, and renovation of said building.
- 16. Without obtaining any clearance from the New York City Landmarks Preservation Commission, on or about February 1, 2008, Defendants began construction on Boricua Village, a development project at or near 507 East 161st Street and 3rd Avenue, Bronx, New York 10451; the property abutting the Plaintiff's building. The construction of Boricua Village should have required an application to Landmarks, and several studies to evidence protection of the Landmarked property of the Plaintiff. The legal protections in place to preserve the historic Courthouse of the Plaintiff were circumvented by the Defendants.

- 17. On or about January 21, 2008, Plaintiff sent a letter to Defendants relating the findings of its architect, and requesting that Defendants preserve East 161st Street as an operable public or private street instead of building on it, so that the Plaintiff retain the full use and enjoyment of their property.
- 18. Specifically, the letter stated that it was necessary to preserve Plaintiff's easement on East 161st so that: 1) it could be used for emergency ingress and egress for the rear of the Property and for street to basement egress; 2) it's previous use as a loading dock for the old Bronx Courthouse, the only side suitable for such use, could be preserved for future use; and 3) to avoid a great loss of value to Plaintiff's property.
- 19. The Defendants were negligent and failed to protect the Plaintiff's Nationally Registered Historic Place (also a New York City Landmark), as upon information and belief required by the implementation of a Construction Protection Plan. Upon information and belief, Defendants failed to prepare a Construction Protection Plan in compliance with the Dept. of Building Technical Policy and Procedure Notice #10/88 and section 523 of the CEQR Technical Manual which was required by the New York City Department of Housing and Urban Development Environmental Impact Statement prepared for the development of Defendants property. Defendants', upon information and belief, failed to installed seismographic or other vibration measuring apparatus on the Plaintiff's property, or take recording and measurements of existing cracks and gaps in the Plaintiff's historic landmarked building. Additionally, the Defendants circumvented the legal protections in place to preserve the Plaintiff's landmarked property by failing to obtain clearance from the landmarks commission in charge of said property.

FIRST CAUSE OF ACTION

Violation of the National Historic Preservation Act

- 20. Plaintiff incorporates, as if fully set forth herein, the allegations of the preceding paragraphs.
- 21. Plaintiff is the owner of the old Bronx Borough Courthouse, a Nationally Registered Historic Place.
- 22. Defendant Hugo Subotovsky and Defendant Aufgang + Subotovsky did not obtain proper permits which would allow them to build on a Historic Site and failed to obtain clearances that from the landmark commission in charge of the Plaintiff's landmark property.
- 23. Defendant Adolofo Carrion Junior allowed Defendant Hugo Subotovsky and Defendant Aufgang + Subotovsky to build on the site without conducting tests that are required for construction in close proximity to a Landmark, and allowed them to continuously violate the rights of the Plaintiff
- 24. Defendants granted permits and engaged in activities that damaged the Plaintiffs National Historic site and circumvented the laws designed to prevent such damage from occurring.
- 25. Defendants conducted heavy construction activity, including but not limited to boring foundations, within 90 feet of the Plaintiffs property and building two buildings within the visual planes of the national landmark without conducting a study and obtaining approvals.
- 26. Defendants are blocking access to the rear entrance and loading dock of the Plaintiffs property.
- 27. Upon information and belief Defendants received federal funding for their development project. Defendants thus are actors with respect to the applicable Federal declarations and

statutes.

28. Defendants breached their obligation to protect the Plaintiffs National Historic site, in violation of Section 106 of the National Historic Preservation Act, 16 USC §470. as well as other statutes and laws.

SECOND CAUSE OF ACTION

<u>Tort – Property Damage</u>

- 29. Plaintiff incorporates, as if fully set forth herein, the allegations of the preceding paragraphs.
- 30. Plaintiff has invested substantial sums of money and resources into their property.

 Defendants' actions have caused the Plaintiff to suffer a severe loss by making it impossible for the Plaintiff to get the full use and benefit from the Property.
- 31. Defendants' actions have undermined access to the Property, because of obstructions that they have built in the rear of the property; and specifically directly in front of the only loading dock to the Property.
- 32. In addition, Defendants' negligent supervision of the construction taking place on East 161^{st} Street from Third Avenue to Brook Avenue has caused extensive damage to Plaintiff's use and enjoyment of their Property, including; but not limited to, defacing of the walls of the Property and damage to the façade of the Property.
- 33. The Defendants have harmed the public by destroying the visual context of the National Landmark a protected feature; whose artistic elements are on display in a national museum.
- 34. The Defendants have utilized and capitalized on the property of the Plaintiff without compensating the Plaintiff by utilizing the Plaintiff's property to obtain increased zoning allowances to build buildings they would not have been allowed to build. Said buildings have

resulted in profit to the Defendants in an amount to be determined at trial.

35. Plaintiff has not received any compensation or relief to date from Defendants.

THIRD CAUSE OF ACTION

Violation of Plaintiff's Constitutional Due Process Rights and Eminent Domain Rights

- 27. Plaintiff incorporates, as fully set forth herein, the allegations of the preceding paragraphs.
- 28. The City of New York allowed Defendants to build a structure in violation of its own as well as New York States' rules and regulations.
- 29. The City of New York allowed Defendants to build a structure without conducting the testing and obtaining the permits required by law.
- 30. The City of New York allowed Defendants to build a structure and granted easements over the Plaintiff's property without informing the Plaintiff or getting its permission and/or compensating the Plaintiff for the unconstitutional taking of its property.
- 31. The City of New York allowed Defendants to build a structure in such a way which obstructed the view of a landmark.
- 31. The City of New York allowed Defendants to build a structure close to the landmark without implementing any safeguarding techniques to protect the landmark.
- 32. The City of New York took away Plaintiff's air rights by allowing Defendants to use Plaintiff's easement in order to build a higher structure than is allowed by law and without compensating the Plaintiff for said rights.

- 33. The New York City Department of Housing Preservation and Development assisted the Defendants in depriving the Plaintiff of its rights without payment therefore. HPD signed the paperwork attempting to take away the easements from Plaintiff and allowing Defendant Boricua Village to erect the structures in violation of the laws and assisted the Defendants in circumventing the protections in place for landmark preservation.
- 34. Plaintiff wrote a letter to Defendant Ted Weinstein informing him that the City of New York had previously sold the property and its easement to Plaintiff, however Defendant Weinstein took no action to preserve the rights of the Plaintiff and knowingly attempted to deprive the Plaintiff of its rights.

FOURTH CAUSE OF ACTION

Violation of Plaintiff's Right to A Fair Trial

- 35. Unfortunately, the Defendants have rendered it impossible for Plaintiff to obtain a fair trial in the Supreme Court of Bronx County as well as the Appellate Division.
- 36. The long history of the Boricua project with its extensive involvement with all the politicians and the Borough Presidents office as well as the building department of the City of New York, has rendered it impossible to find Judges in the State system who are not affiliated in one way or another.
- 37. Defendant Subotovsky performed work on the house of Defendant Carrion free of charge. Defendant Subotovsky as well as Defendant Carrion headed a team seeking the city's approval an affordable Bronx housing project in Melrose known as Boricua Village. This conflict of interest has rendered it impossible for Plaintiffs to get a fair trial.
- 38. One ordinary Order to Show Cause in the State Supreme Court took more than six weeks to

decided and required 5 Judges. The final Judge, after the decision, was discovered to have failed to disclose her contacts with the Bronx Borough Presidents office which had direct involvement with the project headed by the Defendants. This Order to Show Cause is on appeal with the Appellate Division First Department and even there, two of the Judges are also affiliated with the same political office as the Defendants.

FIFTH CAUSE OF ACTION

Conspiracy to Violate Plaintiff's Property Rights

- 39. Plaintiff incorporates, as fully set forth herein, the allegations of the preceding paragraphs.
- 40. Defendant Subotovsky knew that he was not allowed to build on the said premises without proper permits.
- 41. Defendants Subotovsky, City of New York, Aufgang + Subotovsky and Boricua Village Housing Development Fund Company Inc., conspired to deprive Plaintiff of its property rights by evading the laws protecting the Plaintiff which enabled them to get the requisite permits without complying with said laws.
- 42. Additionally, the Defendants Subotovsky, City of New York, Aufgang + Subotovsky and Boricua Village Housing Development Fund Company Inc., conspired to use Plaintiff's easement to increase their Floor Access Ratio without obtaining a variance. Without utilizing the Plaintiff's easement the Defendants would not be able to erect the structures in question.

PRAYER FOR RELIEF

WHEREFORE, the plaintiff asks that: (1) Defendants restore the street in question to its original condition; (2) take down the structures the Defendants erected on the property; (3) compensation for the Defendant's unjust enrichment; (4) as well as such other and further relief as may be just and proper.

Date: February 24, 2012

Yoram Nachimovsky, Esq. 299 Broadway suite 605

New York, NY 10007

Fax. (212) 267-1199

EXHIBIT A

Carrión Is Fined \$10,000 for Conflict Over Architect

By ANDY NEWMAN



Ozier Muhammad/The New York TimesAdolfo Carrión Jr. in 2010.

Adolfo Carrión Jr., the former Bronx borough president and White House official, who is now a federal housing official and is a potential candidate for city comptroller, has been fined \$10,000 by the city's Conflicts of Interest Board for using an architect on a personal renovation project who was also involved in a large housing development that required his approval.

The fine stems from events in 2006 and 2007, when Mr. Carrión, then in his second term as borough president, hired the architect, <u>Hugo Subotovsky</u>, to design a porch for his Victorian home on City Island in the Bronx. At the time, Mr. Subotovsky was the architect for Boricua Village, a proposed 679-unit complex in the Melrose neighborhood.

Mr. Carrión, 50, said in settlement papers (see below) that though he did not know at the time of Mr. Subotovsky's involvement in the larger project, he knew that the architect had been involved in other projects that had come before him and that he "should have disclosed that private transaction to the board."

He said he had hired Mr. Subotovsky at the recommendation of "my friend Peter Fine," the developer behind Boricua Village. Mr. Fine and his colleagues at Atlantic Development Group donated more than \$52,000 to Mr. Carrion as the project moved through the system, The Daily News reported in 2009.

In 2007, Mr. Carrión, a Democrat, recommended that the zoning change needed for Boricua Village, one of the largest taxpayer-subsidized developments in the Bronx, be approved.

He did not pay Mr. Subotovsky for his work on the City Island house until March 2009, after The Daily News asked him about it. Shortly after The Daily News <u>published an investigative piece</u> on his relationship with the architect — the hiring "was completely unrelated to my professional activities and entirely proper," Mr. Carrión is quoted as saying in the article — Mr. Carrión received a bill from Mr. Subotovsky for \$4,247.50. He said he paid it promptly.

In his settlement with the conflicts board, announced on Thursday, Mr. Carrión concedes that he caused the two-year delay in the billing for the work.

At the time of the Daily News investigation, Mr. Carrión had <u>just been nominated</u> to lead the Obama administration's Office of Urban Affairs. He <u>held the post until May 2010</u>, when he <u>returned to New York</u> as the regional director for New York and New Jersey in the federal Department of Housing and Urban Development.

Recently, Mr. Carrión was reported to be <u>seriously considering a bid for city comptroller</u>. The current comptroller, <u>John C. Liu</u>, has been buffeted by a series of allegations of fund-raising impropriety.

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By DAVID SEIFMAN City Hall Bureau Chief Last Updated: 7:00 PM, December 2, 2011 Posted: 2:42 AM, December 2, 2011

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Ex-Bronx Borough President Adolfo Carrion — who is said to be exploring a 2013 run for city comptroller -- was fined \$10,000 yesterday by the Conflicts of Interest Board for accepting services from an architect who had a major housing project requiring approval from his office.

Carrion claimed he didn't realize Hugo Subotovsky, who designed his porch, was also the architect of the then-proposed Boricua Village apartment complex.

"I should have ascertained at the time I engaged [him] that he was involved in a project that would come before my office," Carrion said in a settlement.



Adolfo Carrion, Jr.

Subotovsky was hired in 2006 to design a \$26,000 porch for Carrion's City Island home. Construction was completed in March 2007 — the same month Carrion green-lighted Boricua.

And Subotovsky did not bill Carrion until after reporters began asking why. On April 15, 2009, Carrion was billed \$4,247.50 and quickly paid it. By then, he was serving as President Obama's 'urban czar."

Boricua Village was built by Peter Fine, of the Atlantic Development Group, a longtime campaign contributor to Bronx politicians, including Carrion. Fine also recommended Subotovsky for the porch

david.seifman@nypost.com

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White House tells President Obama's urban czar Adolfo Carrion to pay up

BY GREG B. SMITH / DAILY NEWS STAFF WRITER

Thursday, March 12, 2009, 1:42 AM

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for Carrion

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The White House told urban czar Adolfo Carrión on Wednesday to pay the architect who did work on his Bronx home more than two years ago.

The Daily News reported that Carrión, the former Bronx borough president who is now the White House urban policy director, had the architect draw up renovations in early 2007. That work came as Carrión's office was reviewing the architect's plan for a housing

Carrión still hasn't paid for the work, raising questions about whether it was a freebie done to win approval of the project.

Bronx District Attorney Robert Johnson's office confirmed Wednesday night it was looking into the matter.

Spokesman Steven Reed declined to characterize the DA's involvement as an investigation, saying only "the facts as reported raise questions that we are trying to get answers to."

At Wednesday's press briefing, spokesman Robert Gibbs said the White House expects Carrión to pay the \$3,627,50 bill.

"I think the quote says that when the work is complete, that the bill will be paid. And certainly that would be the expectation," Gibbs said.

Gibbs did not mention that the addition of a porch and balcony to Carrion's home took place in late 2006

The contractor on the home renovation, Nationwide Maintenance, declined to say how much it was paid.

It is illegal for city officials to accept gifts from entities they know are doing business or are about to do business with the city.

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HEYHARVEY

05:28 PM Mar 15, 2009

car-ri-on n, 1....2. anything very disgusting or repulsive. Webster's NewWorld Dictionary 2nd College Edition

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PYRRHUS

12:59 PM Mar 12, 2009

Something doesn't add up here. (I guess that's why there's an ongoing investigation.) If the work started in late 2006, how could the architect be drawing up plans in early 2007? Doesn't the architect draw the plans before the work starts?

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OLEFAN

12:09 PM Mar 12, 2009

I actually heard some Left Winger on TV the other night on MSNBC make the case that we are not getting the best talent into the administration as we are holding people up to ridiculous standards!!! I guess charactyer and honesty do not count?? The person cited was the neew Treasury Secretary who only owed the government \$40,000 plus in taxes on a very touchy subject. The Sec of Treasury!! Taxes!! Character was never a biug thing to dems witness JFK doing every thing in sight when Jackie was away, Teddy is a legend as he killed some young lady, Ckinton was doing it in the Oval Office, and a procession of tax cheats in Cingress are a jike witness Charlie Rangel among others. Ethic?? Who cares abiout ethics, sio what if they are having adifficult time filling in cabinet posts and sub cabinet posts...The NY Times reports a large amount of unfulfilled positions at the sub cabinet level due to disqualification due to these "silly issues" of integrity, hionesty, paying yourntaxes and proper c

Report abuse

WONKAVISION

11:14 AM

Pres. Obama & his people are really disappointing me with these less than ethical people being brought into this administration. After all his rhetoric on open & transparent government and a "new way" which helped him win the reality is some of his staff have some real ethical (and possible criminal) issues. Carrion, Geitner and others should have never been brought on. A legitimate background check would have caught this and other problems with Carrion.

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MURRAY

10:50 AM Mar 12, 2009

This seems to be the norm for this White House, and the Dems.

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Conflict-of-interest issues grow for President Obama's new urban czar Adolfo Carrion

BY GREG B. SMITH DAILY NEWS STAFF WRITER Tuesday, March 10, 2009

President Obama's new urban czar, Adolfo Carrin, admitted Tuesday he has not paid an architect who designed a renovation of his Bronx home two years ago.

That presents conflict-of-interest issues because at the time the architect was a key player in a Bronx development that needed approval from Carrin, then the Bronx borough president.

In a statement to the Daily News, Carrin admitted he hadn't paid architect Hugo Subotovsky to design a porch and balcony for his City Island home.



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The renovation occurred more than two years ago. The last document filed with the city Buildings Department is dated Feb. 2, 2007. The work permit on the job expired that same month.

Most documents stamped by Subotovsky on Carrin's house renovation date even further back, to October and November 2006, including a blueprint for the extensive work done on the front of Carrin's house.

In his e-mailed response to The News, Carrin claimed the architect spent 51.5 hours on the renovation for a total bill of \$3,627.50, "based on their usual rates." That works out to about \$71 per hour.

Carrin claimed he hadn't yet paid the bill on the two-year-old project because a "final survey" is not yet filed and approved.

"As is his practice for projects of this kind, the architect will present his bill and be paid after the final survey is filed and approved, when his work is complete. I anticipate the survey will be completed, filed and approved shortly, at which time the bill will be presented and paid in full."

Subotovsky did not return calls seeking comment. Carrin's response came five days after The News asked him for proof he paid the architect.

If it's determined the architect performed the work free, the work could be considered an unreported gift that could put Carrin on the wrong side of the law.

The White House again declined to comment Tuesday on Carrin's admission that he has yet to pay the architect or any other aspect of Carrin's unfolding problem.

Carrin started his job as director of the White House Office on Urban Policy on March 2.

Case 1:12-cv-01395-HB Document 1 Filed 02/24/12 Page 19 of 29

In January 2007, at the same time Subotovsky was working on Carrin's house, a project he had designed called Boricua Village was submitted to Carrin's office.

The project, which includes nearly 700 units of affordable housing and a 14-story tower for Boricua College, needed Carrin's recommendation to go forward.

Two months later, in March 2007, Carrin recommended the project for approval to the City Planning Commission, which signed off on the project that May.

gsmith@nydailynews.com

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Possible conflict of interest surfaces for President Obama's new urban czar Adolfo Carrion

BY ROBERT GEARTY AND GREG B. SMITH DAILY NEWS STAFF WRITERS

Monday, March 09, 2009

President Obama's new urban czar renovated his Bronx home with help from the architect on a major development that needed his approval, a Daily News investigation has found.

Adolfo Carrin, who last week left his job as Bronx borough president to be director of the White House Office on Urban Policy, hired the architect to design a renovation of his Victorian two-family on City Island.

Weeks after the architect's work on Carrin's house was complete, Carrin approved the architect's project.

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Carrin would not say how much he paid the architect, if anything. He also refused to provide copies of checks for the work.

"I hired an architect on an arm's-length commercial basis to draw up plans for a renovation, as required by city law," he said. "That was completely unrelated to my professional activities and entirely proper."

The White House declined to comment.

The possible conflict of interest surfaced Nov. 13, 2006, when, records show, Hugo Subotovsky was listed as architect of record overseeing the addition of a porch and installation of a second-floor balcony. Total job cost was estimated at \$32,000.

At the time, records show, Carrin had at least \$15,000 in credit card debt, was paying off two mortgages worth more than \$500,000 and had \$5,000 in revolving credit from Chase bank.

In the next few months, architect Subotovsky signed off on several documents necessary to complete the Carrin renovation. All were filed with the city Buildings Department, records show.

At the time, Subotovsky was part of a team seeking Carrin's approval of one of the biggest taxpayersubsidized developments in the Bronx, Boricua Village.

As project architect, Subotovsky was involved in the design of a 14-story college building and 679 units of housing in Melrose.

The project involved zoning changes, so it needed approval from Carrin and the City Planning Commission.

Subotovsky, several top Boricua College officials and executives with the project's developer, Atlantic Development Group, gave a combined \$74,000 to Carrin's campaign.

The two worlds came together Jan. 22, 2007. Subotovsky filed a work permit application and cost affidavit with the city for Carrin's house renovation.

The Boricua Village project was referred to Carrin's office the same day.

On March 26, 2007, Carrin recommended approval of the Boricua Village project.

Two days later, Subotovsky outlined the project to the Planning Commission, which approved it a month

Subotovsky did not return calls for comment. His partner, Ariel Aufgang, said the firm deals with Carrin and his staff on every project in the Bronx involving land-use issues.

Crucial questions include whether Carrin paid for Subotovsky's work on his home, how much he paid and

City employees can't take gifts from anyone seeking their approval as a city employee.

Such an unreported gift could be seen as Carrin using his position to benefit himself financially, a violation of the law. It could also be unreported income. Carrin did not report any such gift on his financial disclosure

Carrin defended his legacy as a public official: "As the Bronx borough president, I built a reputation for integrity and dedication to my constituents."

The News reported last week that several developers seeking Carrin's approval for projects across the Bronx raised tens of thousands of dollars in campaign contributions for him.

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Owner plans \$10 million face-lift for boarded-up Old Bronx Courthouse

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BY DANIEL BEEKMAN / DAILY NEWS WRITER

Monday, April 4, 2011, 1:31 PM

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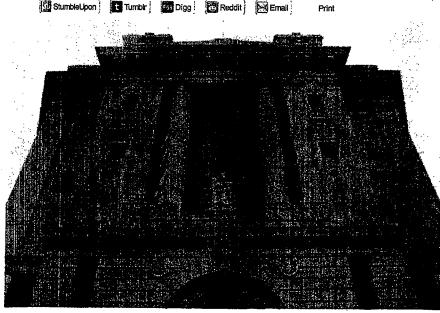
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FLORESCU FOR NEWS

Old Bronx Courthouse, at E. 161st St. and 3rd Ave. in The Bronx, is finally getting a \$10 million facelift.

The Gray Lady is getting a \$10 million makeover.

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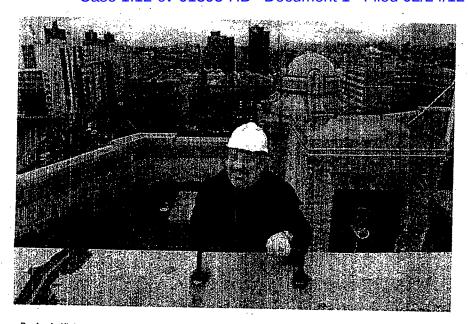
The old Bronx County courthouse in Melrose - a bulky Beaux Arts structure nicknamed the Gray Lady - has been boarded-up for more than 30 years.

Several attempts to lease the space have fallen through since Brooklyn developer Henry Weinstein bought the building from the city in 1998.

Now, Weinstein and two partners have begun a major rehab of the century-old hall of justice, hoping the work will land them a big-time tenant at last.

"Finally, the sleeping beauty will be awakened and restored," said Benjamin Klein, a Brooklyn mechanical engineer and one of the partners.

By May 2012, the stone behemoth at E. 161st St. and Third Ave. will boast new windows, elevators and mezzanines, plus modern electrical, heating and plumbing systems, Klein vowed.



Benjamin Klein, part-owner, plans to renovate the Melrose eyesore. (Florescu for News)

The partners plan to rent to a handful of tenants, probably as office space.

"We're building a 21st century structure in a 19th century shell," said Weinstein spokesman Fred Connolly.

The 82,000-square-foot courthouse built in 1906 sports soaring ceilings, granite walls, terrazzo floors and spiral staircases.

A sculpture of Lady Justice - without her usual blindfold - watches over the front doors, flanked by 40-foot-tall windows whose stained glass panes were looted during the 1980s. The exterior of the building has city landmark status.

It housed the Bronx's Supreme Court until 1934, when a new courthouse was built on the Grand Concourse, said Lloyd Ultan, borough historian.

It spent decades as a criminal court, but was shuttered in the 1970s, as arson and gang warfare tore through Melrose.

Local community groups, including non-profit developer Nos Quedamos, hoped to acquire the courthouse. But the Giuliani administration quietly sold the Gray Lady at auction to Weinstein for \$300,000.

Since then, Weinstein has received "nibbles" from potential tenants, and a charter school nearly moved in, said Connolly, who has spoken to bookstores and retail outlets.

The courthouse's immense size and Melrose's blighted landscape made it a hard sell. But the neighborhood is changing, with Boricua College's new, 14-floor "vertical campus" a block away, and more than 2,000 new apartments in the area.

"There's a renaissance going on here," said Abraham Cruz, vice president of Boricua College.

He called the graffiti-marred courthouse an "eyesore" whose rebirth "would give the community a tremendous boost."

Weinstein, who recently scored a \$16 million settlement from the state over his land being seized for Brooklyn's Atlantic Yards project, has the money, Klein the engineering know-how and Melrose the momentum,

The South Bronx Overall Economic Development Corp. is helping the owners apply for historic preservation

"The time is right," said Connolly. "If we build it, they will come."

The partners are close to deals with The Bronx Defenders, a criminal justice non-profit, and a day care center, said Klein, though Robin Steinberg, the organization's executive director, said it has yet to commit.

David Kopstein, owner of a furniture store across the street, would love to see a high-end supermarket at the courthouse.

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Toddiers, ages 2 and 3, left on Brooklyn street.

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Local resident Abu Diallo, 40, said any activity would be an improvement. "Anything to create jobs," he said.

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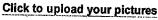












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10:20 AM Apr 5, 2011

The improvements in this neighborhood have been amazing. The South Bronx has gotten so much better in the last 10-15 years.

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07:49 AM

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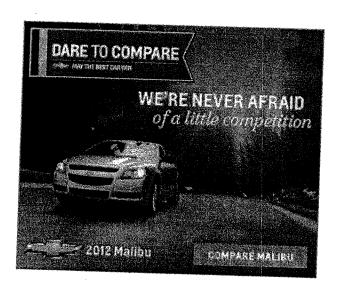
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KRISTIN HART

Wednesday, December 14, 2011

Every community board member understands conflict of interest, but apparently not former Bronx Borough President Adolfo Carrión. Last week, he admitted he knowingly broke city conflict-of-interest rules when he hired, though apparently forgot to pay, the architect Hugo Subotovsky, who designed a porch for his house in 2006/2007, exactly when Atlantic Development was seeking approval for its massive, city-subsidized and Subotovsky-designed Boricua Village.

Carrión has paid a \$10,000 fine and somewhat acknowledged an impropriety. But far more importantly, he continues to be the Regional Director of HUD, the federal agency that administers Low Income Housing Tax Credits. Since the overhaul of the 421-a program in 2008, these tax credits have dangled the biggest carrot in front of these developers. They pour millions of dollars in instant equity into massive projects designed by — you guessed it — Hugo Subotovsky, among others.

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Fort Independence Park Neighborhood Association calls for immediately, and we ask why the architect, who designed ar subsidized developments in the Bronx, has not been brought excluded from working on these public bond-financed project

Subotovsky, some may recall, is the architect whose attorne President of the Fort Independence Park Neighborhood Assorthe context of an important public land use debate regarding position paper called his Bronx buildings "too monotonous" as significantly exceed the allowable size under zoning law, thou this. He was trying to scare us. It didn't work.

The type of lawsuit he threatened us with is called a SLAPP-Participation. These publicly-financed developers don't like p and other public financing, armed with land-use attorneys an with key elected officials and a questionable mandate from the BIG — whether the scale makes sense to our communities c

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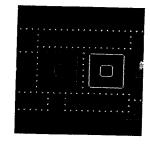
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Henry Weinstein, being duly sworn, deposes and says, that deponent is the President of Liberty Square Realty Corp.; that deponent has read the foregoing statement and knows the contents thereof; that the same is true to deponent's own knowledge, except as to the matters therein states to be alleged on information and belief, and that as to those matters deponent believes them to be true.

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Yoram Nachimovsky, Esq. Attorneys for Plaintiff 299 Broadway, Suite 605 New York, NY 10007 (212) 267-1157